

Message Text

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17

ACTION AGR-08

INFO OCT-01 NEA-09 ISO-00 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 RSC-01 SP-02 STR-01 TRSE-00 CIEP-01

FRB-03 OMB-01 L-02 /047 W

----- 007345

R 230905Z JAN 75

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 8015

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E.O. 11652: N/A

TAGS: EAGR, ETRD, BDIS, TS

SUBJ: COTTON CONTRACT PROBLEMS

REF: STATE 8686

1. EMBASSY OFFICER DISCUSSED SUBJECT DISPUTE WITH ABDELHAMED HADJ MABROUK, MANAGER, SOTUREC, ON JAN 21. MABROUK STATED THAT HE HAD RECEIVED TELEPHONE APPROVAL FROM MANAGER OF FILAS (MANUFACTURE DU TEXTILE DU SUD) AS TO QUANTITY, PRICES AND TERS OF ALLENBERG OFFER. ACTING ON THIS VERBAL AGREEMENT, HE HAJ SENT TELEX REQUESTING PRO FORMA INVOICES AND CONTRACTS FROM ALLENBERG. WHEN DOCUMENTS RECEIVED, HE SENT THEM TO FILAS FOR SIGNATURE. SEVERAL DAYS LATER MANAGER OF FILAS ADVISED MABROUK HE HAD RECEIVED LOWER QUOTATIONS AND WAS THEREFORE SUSPENDING ALL PURCHASE OF COTTON UNTIL MARKET STABILIZES. ON THESE GROUNDS FILAS MANAGER REFUSED TO SIGN ALLENBERG PURCHASE CONTRACT.

2. MABROUK REFERRED TO CABLE HE HAD RECEIVED FROM ALLENBERG ON DECEMBER 2 STATING THAT ALLENBERG WAS WILLING TO TAKE SACRIFICE BUT EXPECTED TUNISIAN SIDE TO TAKE PART OF SACRIFICE AND CONCLUDE DEAL. HE HAD NOT ACTED ON THIS CABLE, HOWEVER, CLAIMING THAT HE DID

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NOT KNOW WHAT PRICE ALLENBERG WAS WILLING TO ACCEPT.

3. EMB OFF SUGGESTED TO MABROUK THAT HE CONTACT FILAS AND OBTAIN AN OFFER WHICH MIGHT BE NEGOTIATED WITH ALLENBERG UNDER CONDITIONS OF DECEMBER 2 TELEX. EMB OFF URGED THAT FILAS BE REMINDED OF DANGERS INVOLVED IN REFUSING TO HONOR AGREEMENTS SIMPLY BECAUSE MARKET WAS TURNING IN A TEMPORARILY FAVORABLE DIRECTION. HE ALSO CITED MABROUK'S ASSURANCES TO ALLENBERG THAT IN TUNISIA VERBAL AGREEMENT AS GOOD AS A SIGNED CONTRACT, NOTING THAT EVIDENCE SO FAR CLEARLY CONTRADICTORY TO THIS ASSURANCE. MABROUK ACCEPTED THIS SUGGESTION AND HAS PROMISED TO KEEP EMBASSY INFORMED AS TO PROGRESS IN NEGOTIATIONS.

4. COMMENTS: MABROUK CLEARLY WORRIED THAT HIS NECK - NOT THAT OF FILAS - IS ON LINE SINCE HIS UNDERSTANDING WITH FILAS IS STRICTLY VERBAL AND COULD EASILY BE DENIED WHEREAS HIS DEALINGS WITH ALLENBERG ARE WRITTEN TELEGRAPHIC COMMUNICATIONS. HE APPEARS TO WISH THE PROBLEM WOULD SIMPLY GO AWAY AND BELIEVES IT MIGHT IF ALLENBERG WOULD WAIT LONG ENOUGH. IT IS OUR VIEW THAT HE WILL AT LEAST TRY TO CONVINCE FILAS TO MAKE A COUNTER OFFER AT THIS POINT, PARTICULARLY GIVEN INTEREST WHICH EMBASSY HAS NOT EXPRESSED IN THIS QUESTION. WILL KEEP YOU INFORMED.

5. DECLASSIFY ON RECEIPT.
SEELYE

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Message Attributes

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Draft Date: 23 JAN 1975
Decaption Date: 01 JAN 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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